Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

July 20, 2006

Contents

The next release is July 27, '06

WEEKLY HIGHLIGHTS

Transportation Indicators Reflect Increased Export Activity

For the week ending July 13, 47 percent more ocean vessels were loaded than during the same week last year. Grain inspections have also increased significantly from the previous week and last year. Increased vessel activity and grain inspections indicate that more grain is being shipped. Export balances (unshipped exports) of corn and soybeans are 41 percent and 31 percent higher, respectively, than the 5-year average for this time of year.

Navigation on the Missouri River Will End Early

Navigation on the Missouri River will end 44 days early on October 17. For the fourth straight year, drought conditions and below-normal spring runoff across Montana, the Dakotas, and Nebraska have shortened the navigation season. The Missouri River supplies about 40-50 percent of the Mississippi River water flow at St. Louis, Missouri.

Growth in Ethanol Production May Reshape Transportation Sector

The Energy Information Administration reports that ethanol production from January to April is 22 percent higher than last year. In some instances within the Midwest, ethanol plants are outbidding grain elevators for corn. The transportation of corn to—and ethanol and ethanol co-products from—these plants can potentially reshape the dynamics of transportation services.

Near-Record Oil Prices Drive Up Cost of Diesel Fuel

After reaching a near-record $75 a barrel last week, crude oil is still hovering around $74 a barrel. Diesel prices generally rise in tandem with increasing oil prices. The mandatory introduction of ultra-low-sulfur diesel fuel at trucking terminals by September 1st may also add to trucking costs in the near future. The fuel is environmentally friendly, but may add 5-10 cents to the price of a gallon of diesel.

Low Ocean Rates Offsetting High Barge and Rail Rates

Ocean rates remain relatively low, decreasing the cost of exporting grain and other goods. As of July 18, the rate for shipping grain from the U.S. Gulf to Japan was $39.33, from PNW the rate was $30.09. This is good news for exporters faced with record high barge and rail rates.

Snapshot by Sector

Barge

For the week ending July 15, southbound barge **grain shipments** totaled 795 thousand tons, 11 percent lower than the same week a year ago. Year-to-date totals for grain shipments are 6 percent higher than last year.

Ocean

On July 13, 54 Gulf ocean vessels were due in over the next ten days, about 13 percent higher than last year and nearly 9 percent above the 4-year average.

Truck

The **diesel fuel price** for the week ending July 17 was $2.93 per gallon—0.3 percent higher than the previous week and 22 percent higher than the same week last year.

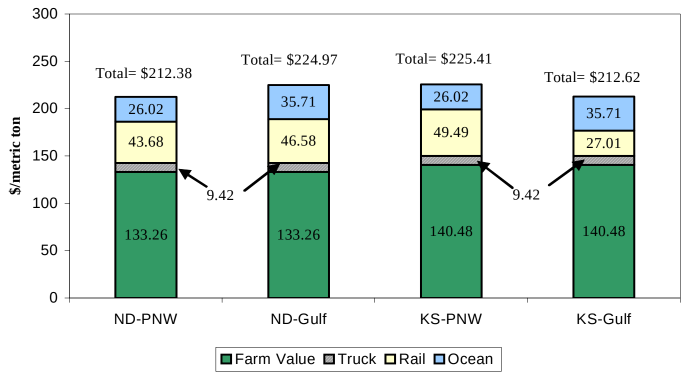
Rail

The **secondary shuttle railcar** bids/offers for August and September delivery dropped significantly this week—by $175.50 in August and $177 in September.

Feature Article/Calendar

Cost of Shipping U.S. Wheat to Japan Rises from PNW, but Falls from U.S. Gulf. The cost of transporting wheat from North Dakota and Kansas to Japan through the Pacific Northwest (PNW) increased during the first quarter of 2006, mainly due to higher ocean freight rates (tables 1 and 2). The cost of shipping wheat from both states to Japan through the U.S. Gulf decreased during the first quarter (tables 1 and 2).

Figure 1- Cost of shipping wheat from Kansas and North Dakota to Japan, 1st Quarter 2006



Source: USDA/AMS/Transportation and Marketing Programs

The cost of transporting wheat from Kansas to Japan through the PNW increased about one percent (table 1), and the cost from North Dakota increased about 2.5 percent, due to higher rail and ocean rates (See Table 1). During the same period, the cost of shipping from Kansas to Japan through the Gulf decreased nearly 11 percent and the cost from North Dakota more than 7 percent (table 2). The total landed cost for shipping wheat from both states to Japan ranged from $212 to $225 per metric ton (figure 1). The total first quarter transportation cost averaged 34 to 41 percent of the total landed cost (tables 1 and 2).

Ocean freight rates for wheat shipped from the PNW to Japan continued to increase from the fourth quarter 2005 (table 1), but ocean rates for wheat shipped from the Gulf to Japan decreased over 18 percent (table 2). This drop in Gulf rates was due to more multi-purpose vessels entering the Gulf for construction after the hurricanes last year, creating additional capacity in the Gulf and forcing rates lower *(See GTR dated 5/04/06)*

Table 1 -- Quarterly KS & ND to Japan through PNW rate comparisons, 2005/2006

	KS			ND		
Mode	**2005 4th qtr**	**2006 1st qtr**	**Percent change**	**2005 4th qtr**	**2006 1st qtr**	**Percent change**
	- $/metric ton -		**%**	**- $/metric ton -**		**%**
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Rail	49.49	49.49	0.00	42.34	43.68	3.16
Ocean vessel	24.82	26.02	4.83	24.82	26.02	4.83
Transportation Costs	84.37	84.93	0.66	77.22	79.12	2.46
Farm Value[1]	126.28	140.48	11.24	130.69	133.26	1.97
Total Landed Cost	210.65	225.41	7.01	207.91	212.38	2.15
Transport % of landed cost	40.05	37.68		37.14	37.25	

Table 2 -- Quarterly KS & ND to Japan through Gulf rate comparisons, 2005/2006

	KS			ND		
Mode	**2005 4th qtr**	**2006 1st qtr**	**Percent change**	**2005 4th qtr**	**2006 1st qtr**	**Percent change**
	- $/metric ton -		**%**	**- $/metric ton -**		**%**
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Rail	27.01	27.01	0.00	45.38	46.58	2.64
Ocean vessel	43.69	35.71	-18.27	43.69	35.71	-18.27
Transportation Costs	80.76	72.14	-10.67	99.13	91.71	-7.49
Farm Value[1]	126.28	140.48	11.24	130.69	133.26	1.97
Total Landed Cost	207.04	212.62	2.70	229.82	224.97	-2.11
Transport % of landed cost	39.01	33.93		43.13	40.77	

[1] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

Although total PNW shipping costs increased, the cost to move wheat in both states by truck to a rail-served grain elevator decreased over 6 percent during the first quarter (tables 1 and 2). This was due partly to lower diesel fuel costs during this period. First quarter rail rates from Kansas to the PNW remained the same. North Dakota rail rates to the PNW increased just over 3 percent (table 1). The cost of moving wheat by rail from Kansas to the Gulf remained unchanged, but the cost from North Dakota to the Gulf increased about 3 percent (table 2).

According to the Foreign Agricultural Service, total year-to-date wheat exports to Japan add up to 0.9 million metric tons, accounting for over 11 percent of total U.S. wheat exports. This was a decrease of 18 percent from the same time last year. Johnny.Hill@usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
07/19/06	196	84	292	176	213
07/12/06	196	225	274	172	214

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

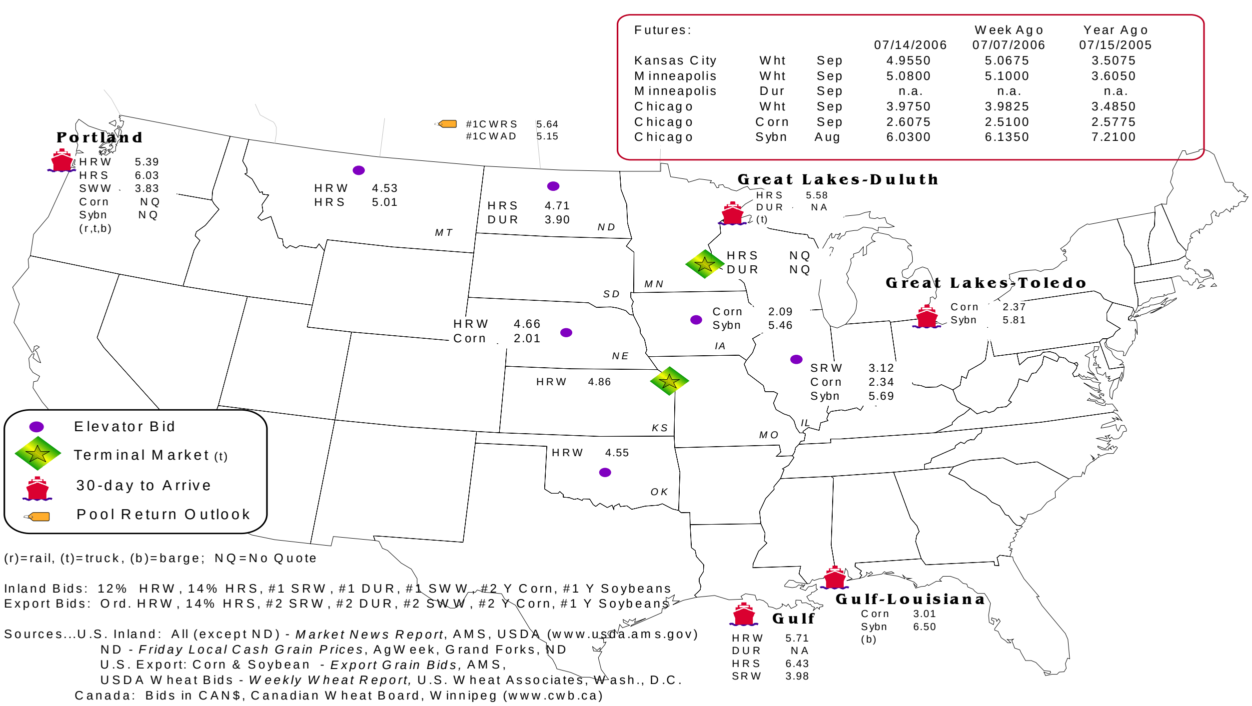
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	7/14/2006	7/6/2006
Corn	IL--Gulf	-0.67	-0.69
Corn	NE--Gulf	-1.00	-0.83
Soybean	IA--Gulf	-1.04	-1.03
HRW	KS--Gulf	-0.85	-0.76
HRS	ND--Portland	-1.32	-1.34

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
7/12/2006[p]	1,463	1,742	895	4,598	411	9,109
7/05/2006[r]	1,252	1,307	678	2,820	441	6,498
2006 YTD	42,351	59,386	24,687	114,008	12,353	252,785
2005 YTD	26,388	46,546	35,866	119,984	7,652	236,436
2006 YTD as % of 2005 YTD	160	128	69	95	161	107
Last 4 weeks as % of 2005 [3]	385	84	58	112	286	111
Last 4 weeks as % of 4-year avg.[3]	n/a	84	80	147	161	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

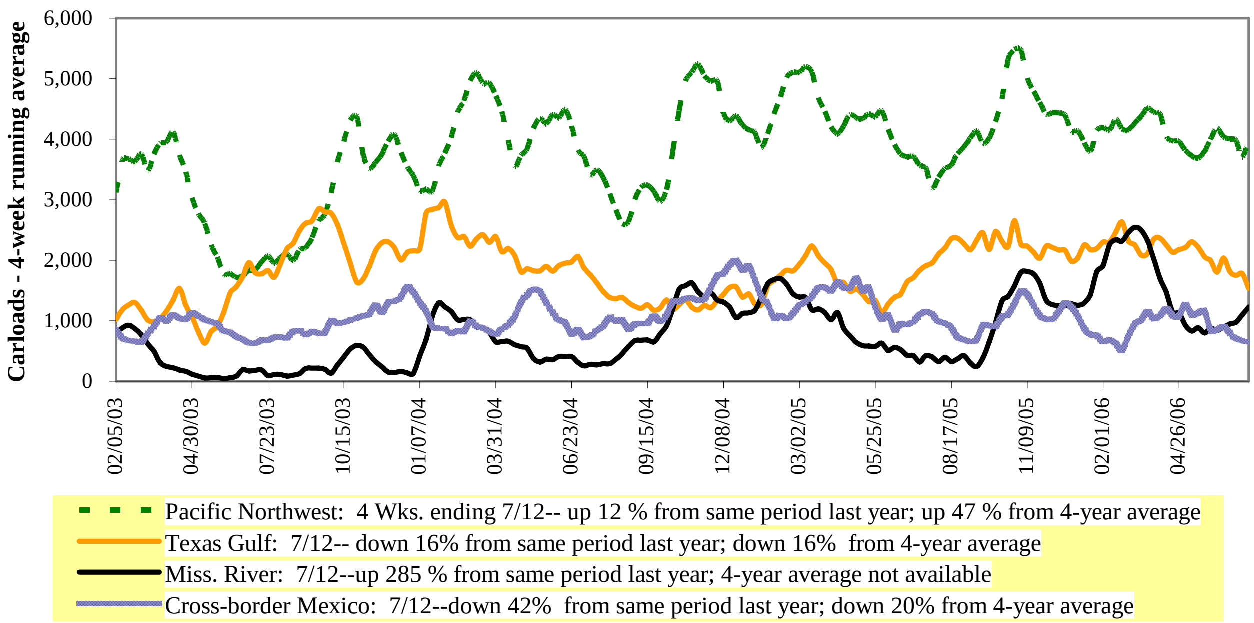
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

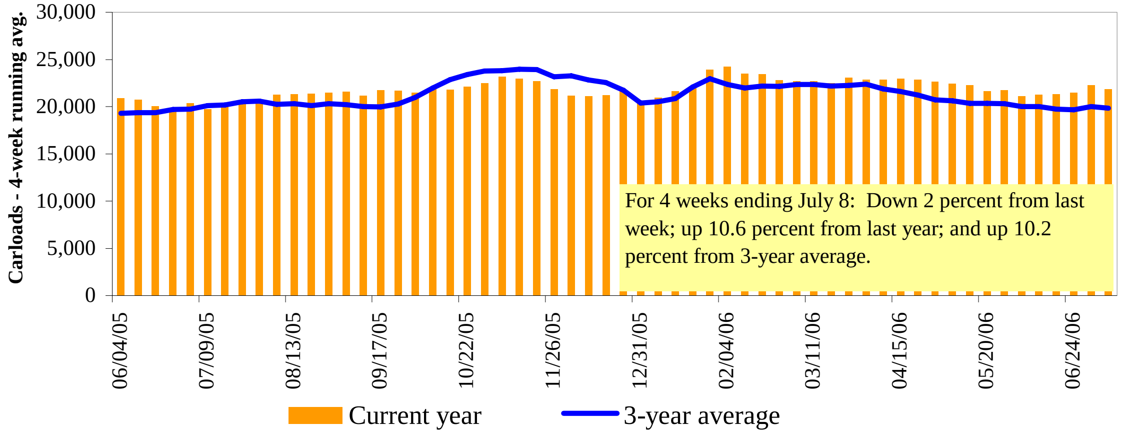
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/08/06	2,780	3,536	8,910	374	5,410	21,010	4,910	3,870
This week last year	2,486	2,857	6,972	487	5,402	18,204	3,768	3,907
2006 YTD	82,993	87,391	261,954	15,490	160,939	608,767	127,236	117,264
2005 YTD	80,491	89,689	244,906	16,016	160,298	591,400	112,272	107,175
2006 YTD as % of 2005 YTD	103	97	107	97	100	103	113	109
Last 4 weeks as % of 2005[1]	105	106	119	100	104	111	135	116
Last 4 weeks as % of 3-yr avg.[1]	107	106	127	99	94	110	125	112
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period									
7/15/2006	Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	no offer	no offer	no offer	no offer	no offer	no offer	no offer	16	no offer
COT grain single-car[5]	no offer	no offer	0. .50	no offer	0. .50	no offer	0. .20	n/a	0. .12	n/a
UP[4]										
GCAS/Region 1	no offer	no bid	no offer	no bid	no offer	no offer	no offer	no offer	no bid	no offer
GCAS/Region 2	no offer	no offer	no offer	91	no offer	no offer	no offer	no offer	no bid	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

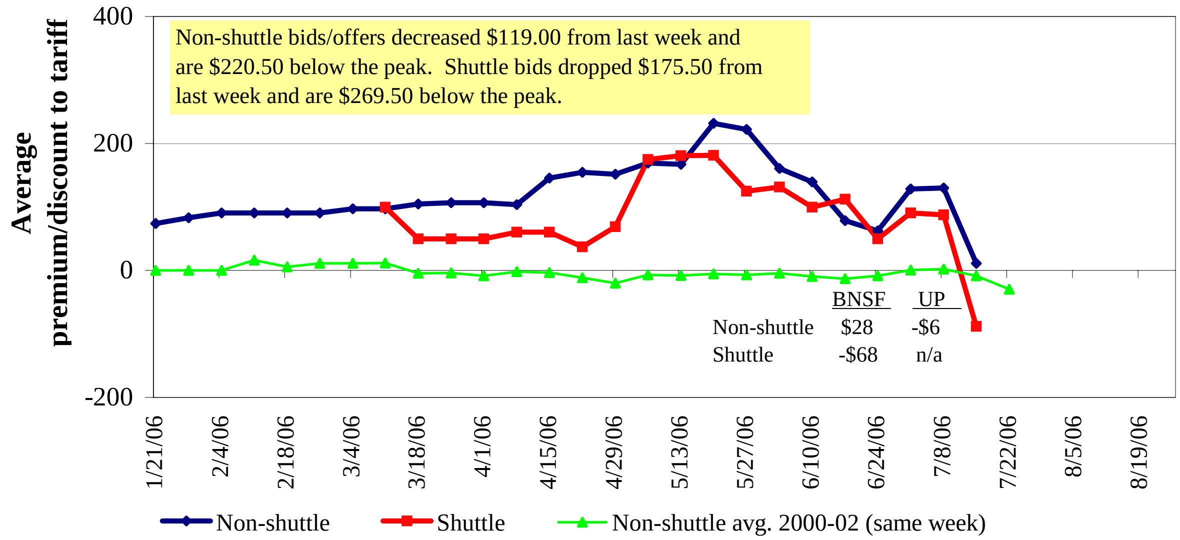
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in August 2006, Secondary Market

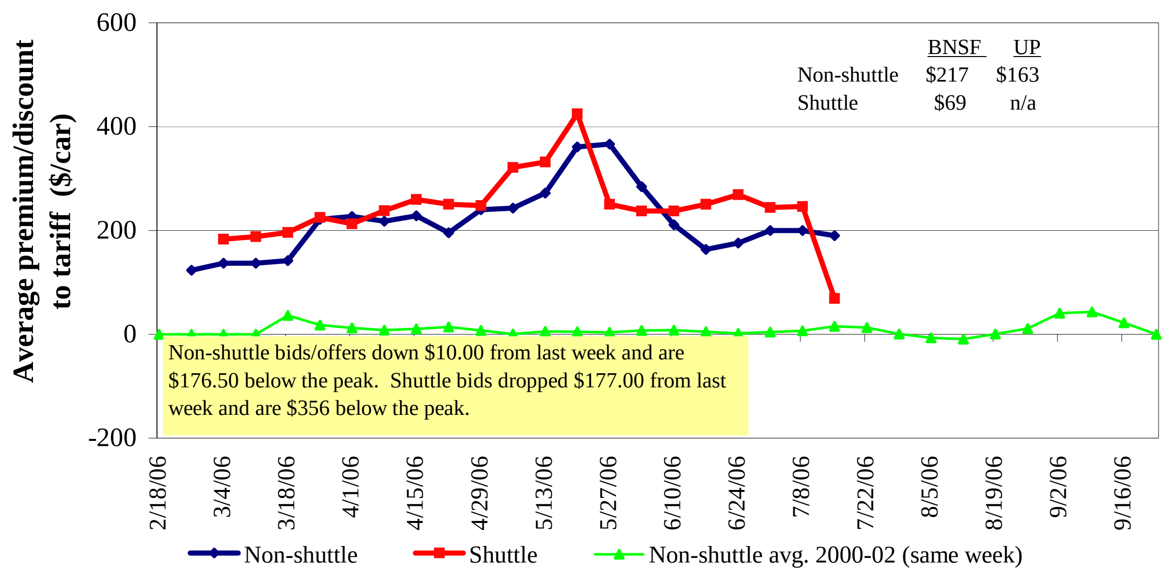


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

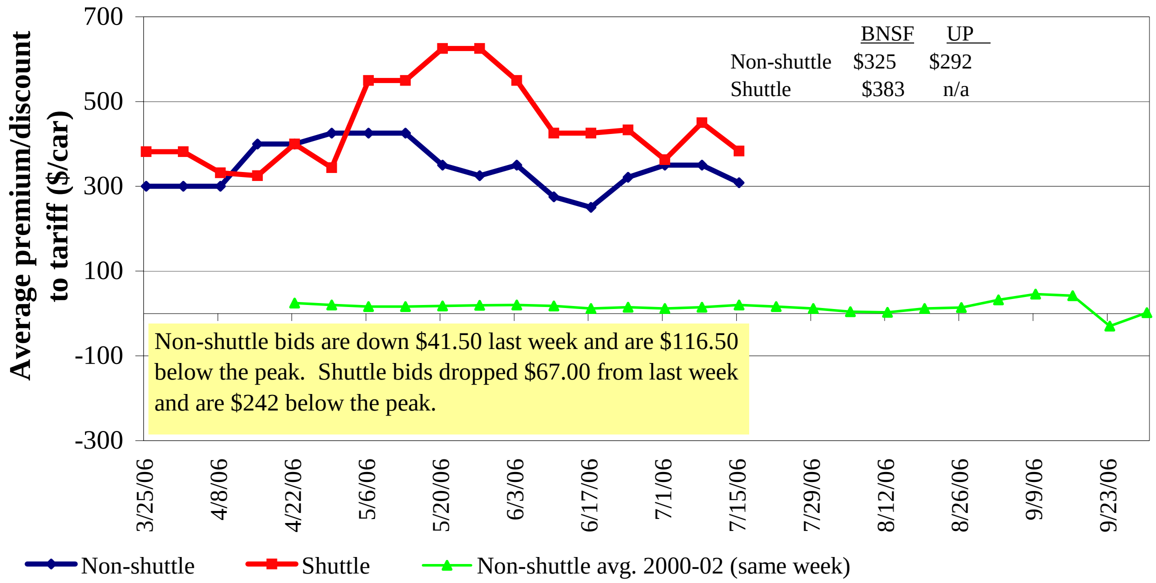


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
7/15/2006	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
Non-shuttle						
BNSF-GF	28	217	325	300	300	n/a
Change from last week	-103	17	-50	-100	300	n/a
Change from same week 2005	-307	-83	17	25	33	n/a
UP-Pool	-6	163	292	n/a	0	n/a
Change from last week	-135	-37	-33	175	n/a	n/a
Change from same week 2005	-69	19	67	0	0	n/a
Shuttle[2]						
BNSF-GF	-88	69	383	250	0	n/a
Change from last week	-163	-223	-67	-50	-200	n/a
Change from same week 2005	-88	69	383	250	0	n/a
UP-Pool	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/3/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	110	$27.12	$0.74
	South Central, ND	Houston, TX	$4,149	113	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$2,050	108	$22.60	$0.62
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 07/03/06					**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\ [4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\ [4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\ [4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

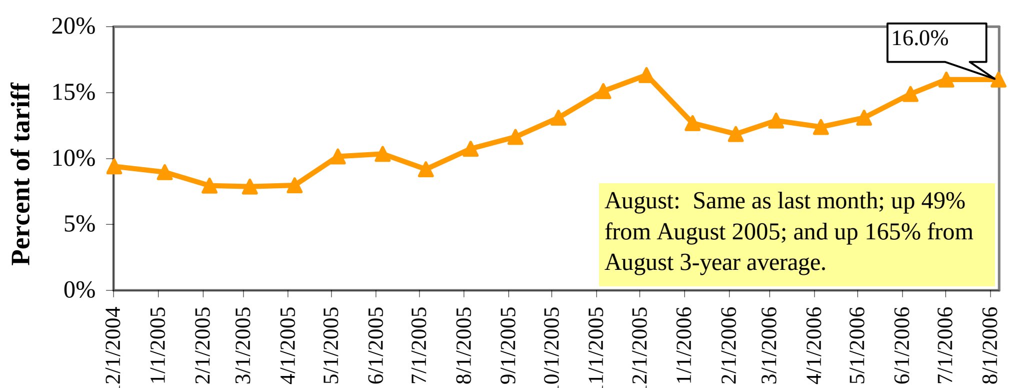
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



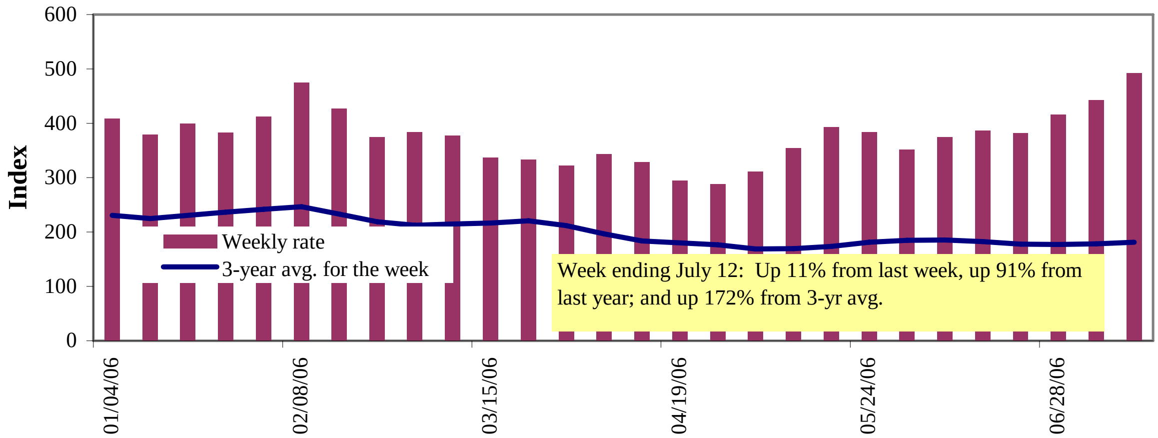
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	7/12/2006	592	504	493	481	480	482	419
	7/5/2006	533	458	443	415	469	475	383
$/ton	7/12/2006	36.64	26.81	22.88	19.19	22.51	19.47	13.16
	7/5/2006	32.99	24.37	20.56	16.56	22.00	19.19	12.03
Current week % change from the same week:								
	Last year	87	87	91	166	134	135	154
	3-year avg. [2]	160	167	172	263	250	249	237
Index	August	605	542	533	513	530	530	524
	October	648	624	623	607	615	615	610

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

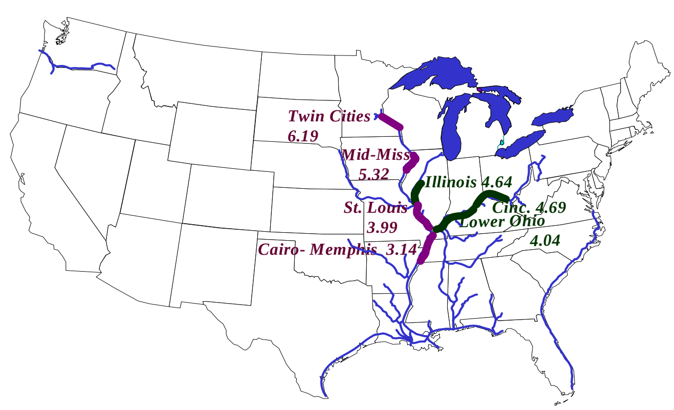
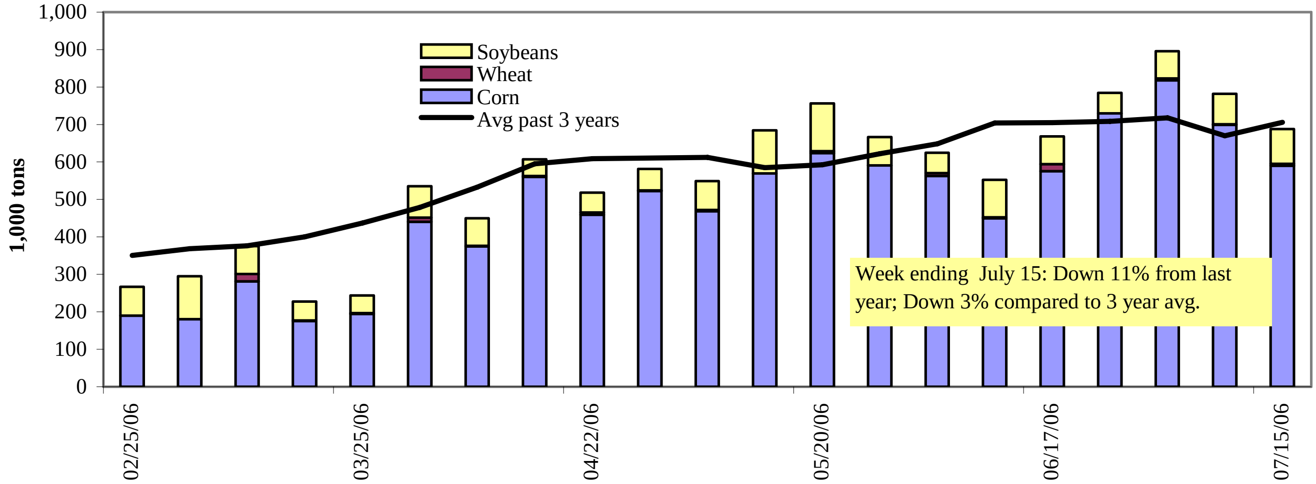


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/15/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	306	0	26	0	332
Winfield, MO (L25)	384	2	37	2	424
Alton, IL (L26)	587	5	93	2	686
Granite City, IL (L27)	590	5	93	2	689
Illinois River (L8)	146	3	31	0	180
Ohio River (L52)	30	6	36	3	75
Arkansas River (L1)	0	21	4	6	31
Weekly total - 2006	620	32	133	11	795
Weekly total - 2005	742	58	82	13	895
2006 YTD[1]	14,540	663	3,483	399	19,085
2005 YTD	12,546	949	4,045	390	17,930
2006 as % of 2005 YTD	116	70	86	102	106
Last 4 weeks as % of 2005[2]	102	102	102	102	100
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

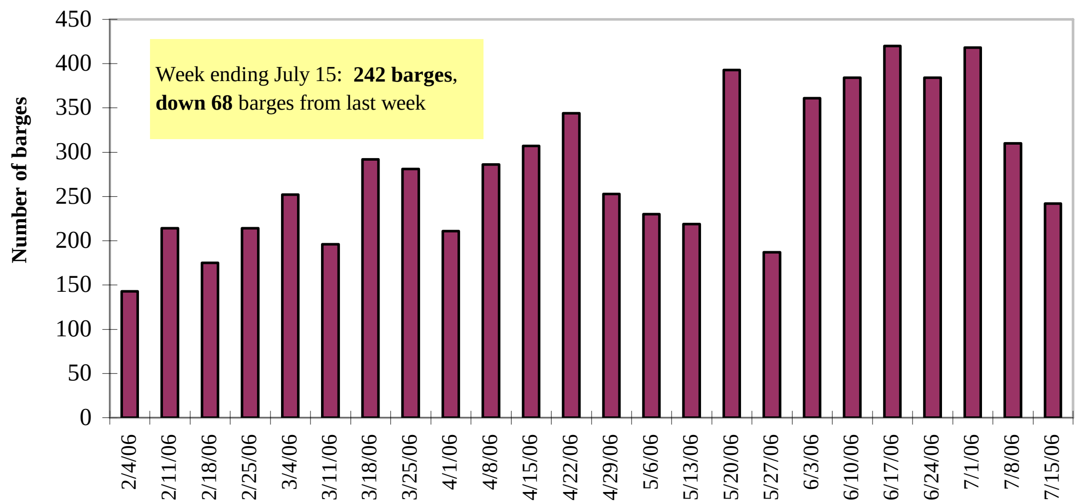
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

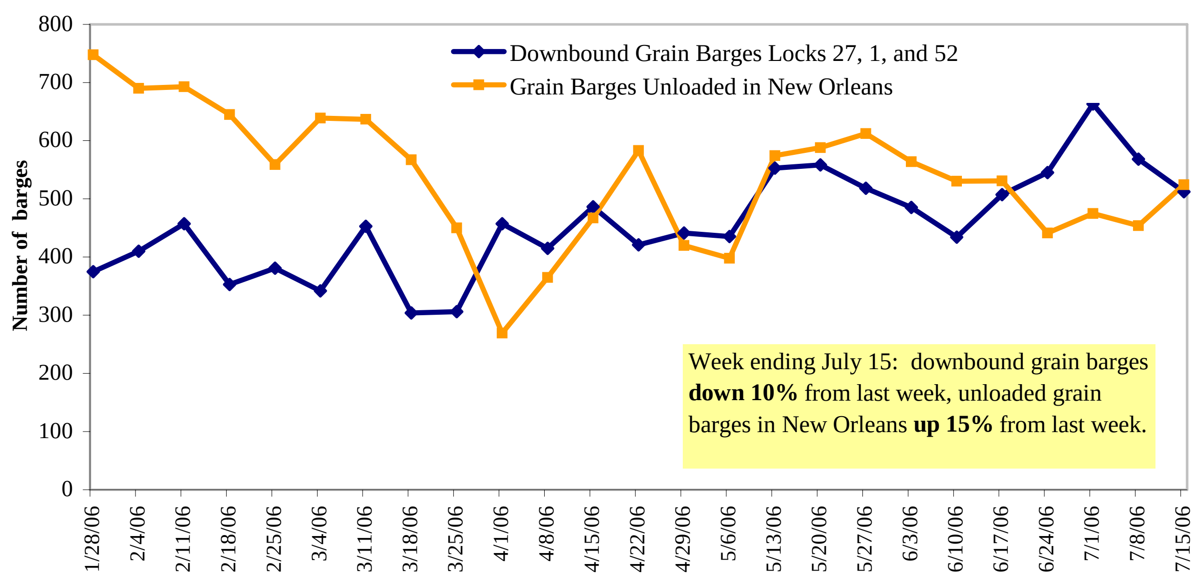
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 7/17/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.906	0.019	0.494
	New England	2.970	0.023	0.435
	Central Atlantic	2.992	0.029	0.471
	Lower Atlantic	2.864	0.015	0.510
II	Midwest[1]	2.927	0.008	0.566
III	Gulf Coast[2]	2.868	0.002	0.537
IV	Rocky Mountain	2.960	-0.006	0.530
V	West Coast	3.051	-0.009	0.521
	California	3.097	-0.016	0.508
Total	U.S.	2.926	0.008	0.534

[1]Diesel fuel prices include all taxes.

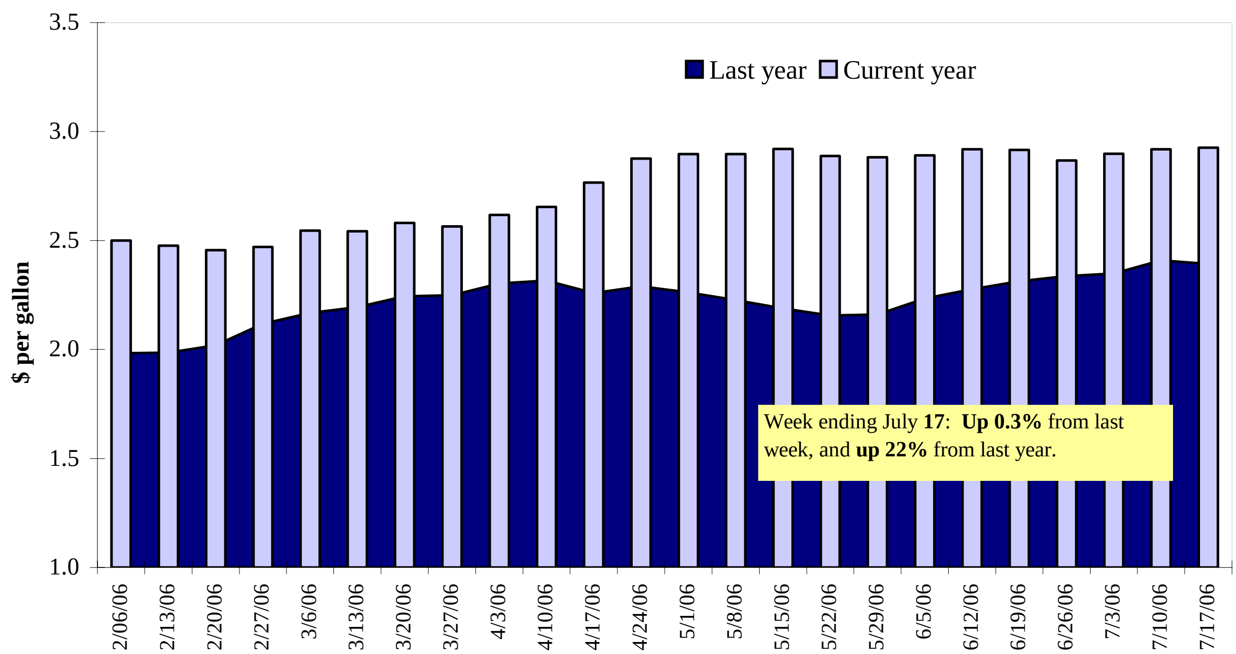
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
7/6/2006	1,087	473	1,045	705	284	3,592	8,656	2,119	14,367
This week year ago	1,994	326	1,225	469	113	4,126	5,725	1,297	11,148
Cumulative exports-crop year [2]									
2005/06 YTD	448	241	713	423	90	1,914	44,157	22,976	69,047
2004/05 YTD	782	185	776	183	71	1,996	38,685	28,799	69,480
YTD 2005/06 as % of 2004/05	57	130	92	231	127	96	114	80	99
Last 4 wks as % of same period 2004/05	54	144	93	151	234	89	157	152	131
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 07/06/06	**Total Commitments**[2]			**% change**	**Exports**[3]
	2006/07	**2005/06**	**2004/05**	**current CY**	
Crop Year (CY)	**Next CY**	**Current CY**	**Last CY**	**from last CY**	**2004/05**
		- 1,000 mt -			**- 1,000 mt -**
Japan	1,112	16,415	15,163	8	16,429
Mexico	275	6,676	5,736	16	6,278
Taiwan	0	4,969	4,377	14	4,690
Egypt	0	3,694	3,726	(1)	4,563
Korea	1	4,977	1,834	171	2,268
Top 5 importers	**1,388**	**36,731**	**30,836**	19	**32,143**
Total US corn export sales	**2,290**	**52,812**	**44,410**	**19**	
Top 5 importers' share of U.S. corn export sales	61%	70%	69%		
USDA forecast, July 2006	**54,610**	**53,340**	**46,078**	**16**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 07/06/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,867	9,828	11,850	(17)	11,850
Mexico	71	3,443	3,347	3	3,579
Japan	394	2,953	3,077	(4)	3,289
Taiwan	2	1,787	1,567	14	1,585
Indonesia	0	1,160	953	22	1,079
Top 5 importers	**2,334**	**19,172**	**20,794**	(8)	**21,382**
Total US soybean export sales	**3,290**	**25,094**	**30,096**	**(17)**	
Top 5 importers' share of U.S. soybean export sales	71%	76%	69%		
USDA forecast, July 2006	**29,670**	**24,630**	**30,019**	**(18)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 07/06/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	332	504	(34)	3,098
Japan	847	759	12	3,061
Mexico	697	584	19	2,625
Iraq	0	268	(100)	1,237
Philippines	723	416	74	1,878
Egypt	233	228	2	1,952
Korea, South	253	284	(11)	1,191
Venezuela	179	196	(9)	1,085
Taiwan	238	149	60	953
Italy	208	195	7	748
Top 10 importers	**3,377**	**3,078**	**10**	**17,827**
Total US wheat export sales	**5,507**	**6,122**	**(10)**	
Top 10 importers' share of U.S. wheat export sales	61%	50%		
USDA forecast, July 2006	**24,490**	**27,325**	**(10)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 07/13/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	82	5,835	5,337	109	130	107	10,801
Corn	288	5,599	5,504	102	123	143	10,130
Soybeans	62	2,558	3,371	76	218	167	6,225
Total	**432**	**13,992**	**14,212**	**98**	**131**	**131**	**27,156**
Mississippi Gulf							
Wheat	52	2,162	2,773	78	88	67	4,643
Corn	689	18,885	14,715	128	130	114	28,202
Soybeans	210	7,614	8,233	92	203	166	14,793
Total	**951**	**28,660**	**25,721**	**111**	**133**	**114**	**47,638**
Texas Gulf							
Wheat	185	3,325	3,346	99	58	51	7,743
Corn	15	1,251	301	415	260	663	812
Soybeans	0	15	6	260	n/a	0	36
Total	**201**	**4,590**	**3,653**	**126**	**64**	**57**	**8,591**
Great Lakes							
Wheat	38	511	842	61	69	95	2,067
Corn	68	689	244	283	202	201	796
Soybeans	0	38	27	140	n/a	0	828
Total	**106**	**1,238**	**1,113**	**111**	**136**	**140**	**3,691**
Atlantic							
Wheat	11	164	108	153	633	224	301
Corn	20	347	52	664	203	609	249
Soybeans	0	298	419	71	0	0	801
Total	**31**	**809**	**578**	**140**	**205**	**190**	**1,352**
U.S. total from ports[2]							
Wheat	368	11,997	12,406	97	102	82	25,556
Corn	1,080	26,770	20,816	129	133	129	40,189
Soybeans	272	10,523	12,055	87	195	137	22,683
Total	**1,720**	**49,291**	**45,278**	**109**	**129**	**117**	**88,428**

[1] Includes weekly revisions

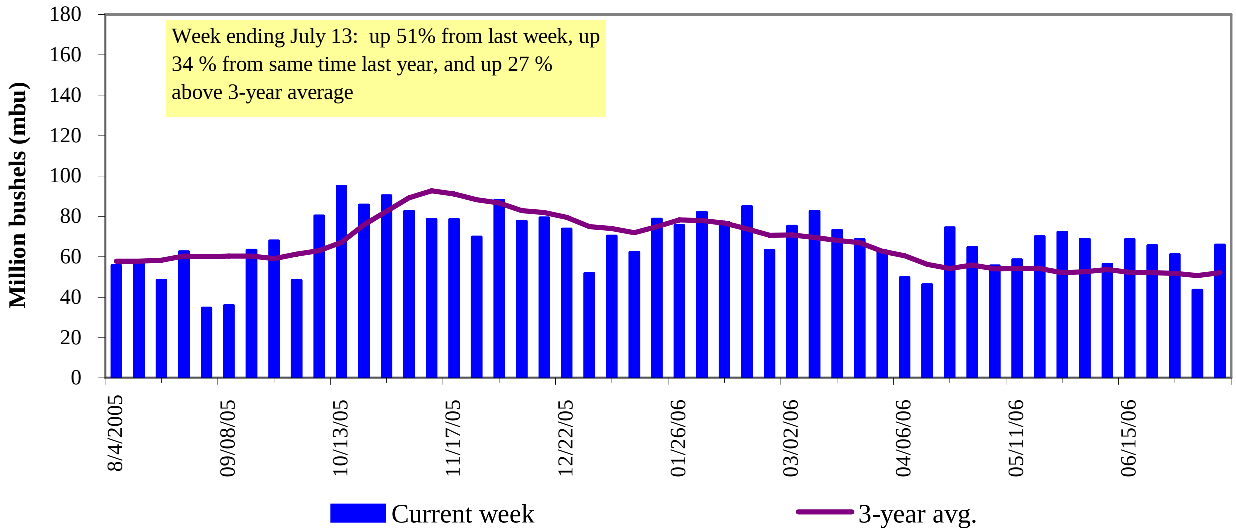
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

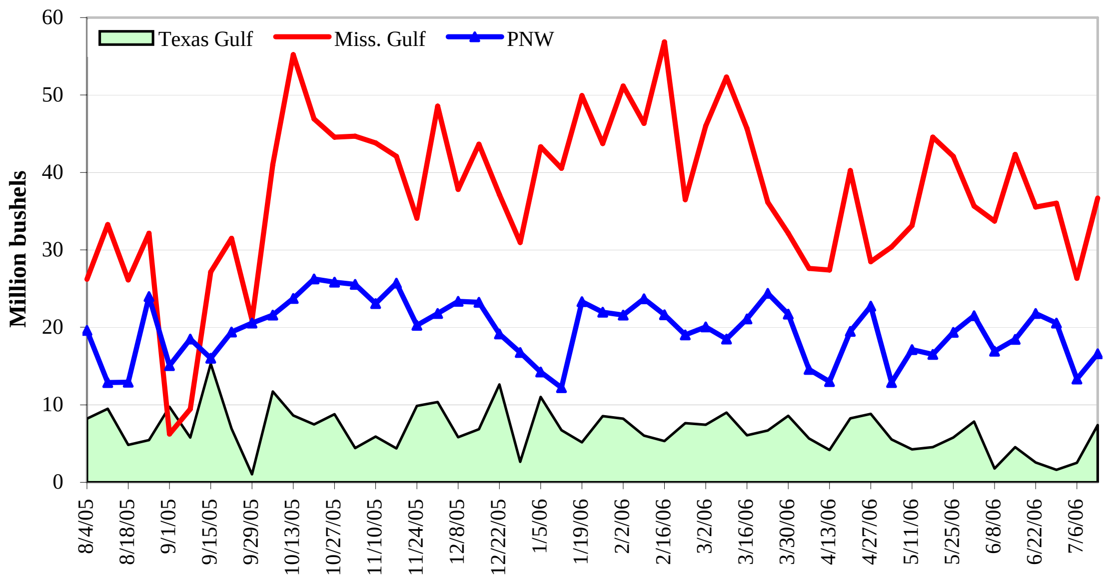


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

July 13, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 39	up 193	up 53	up 24
Last year (same week)	up 43	down 7	up 31	up 28
3-yr avg. (4-wk run. avg)	up 24	up 21	up 23	up 20

Ocean Transportation

Table 17

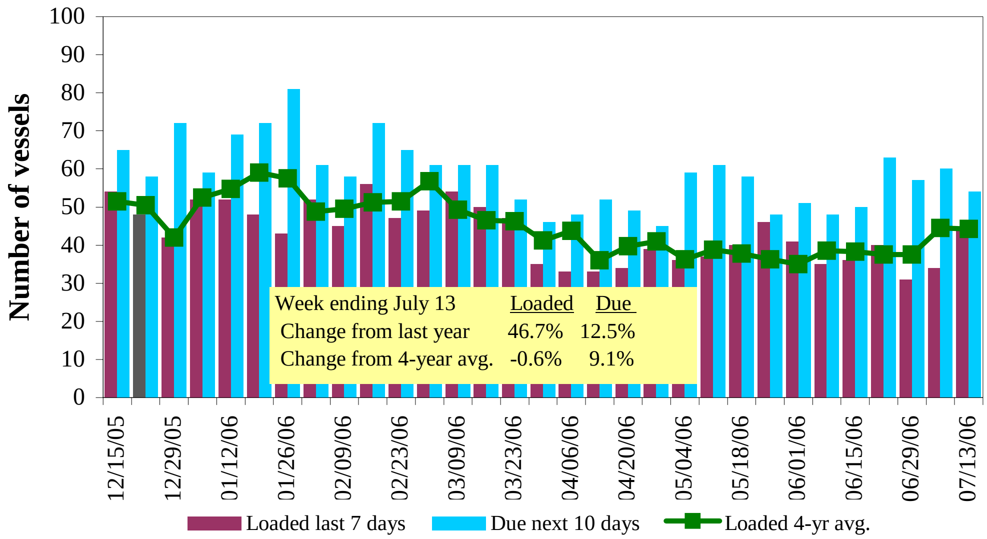
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
7/13/2006	36	44	54	7	5
7/6/2006	23	34	60	4	7
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

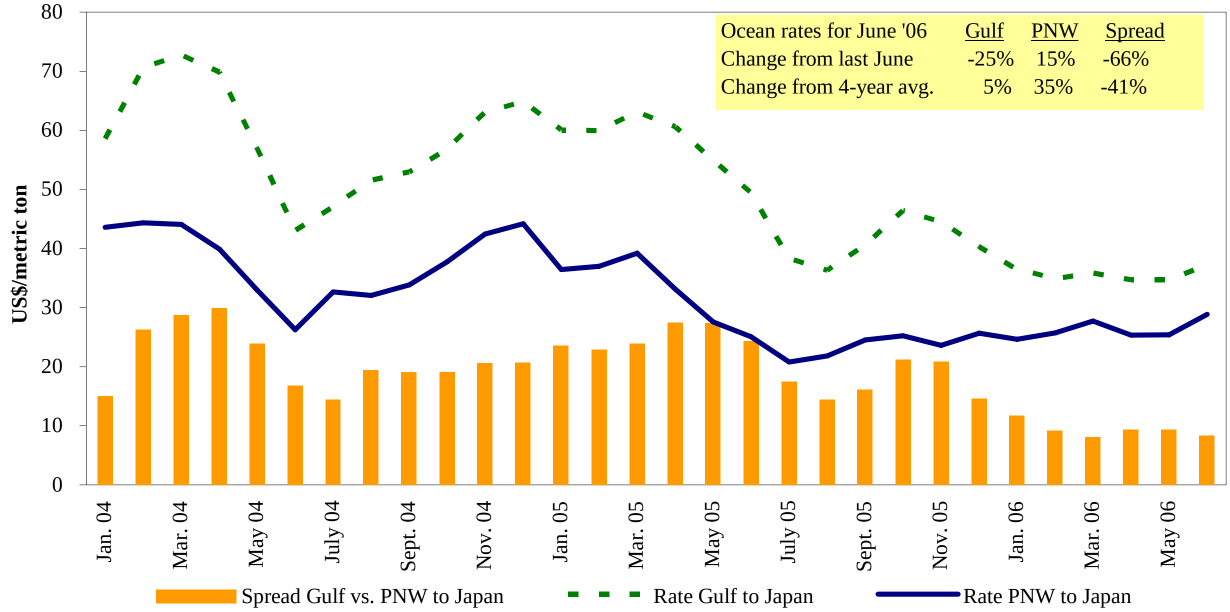
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



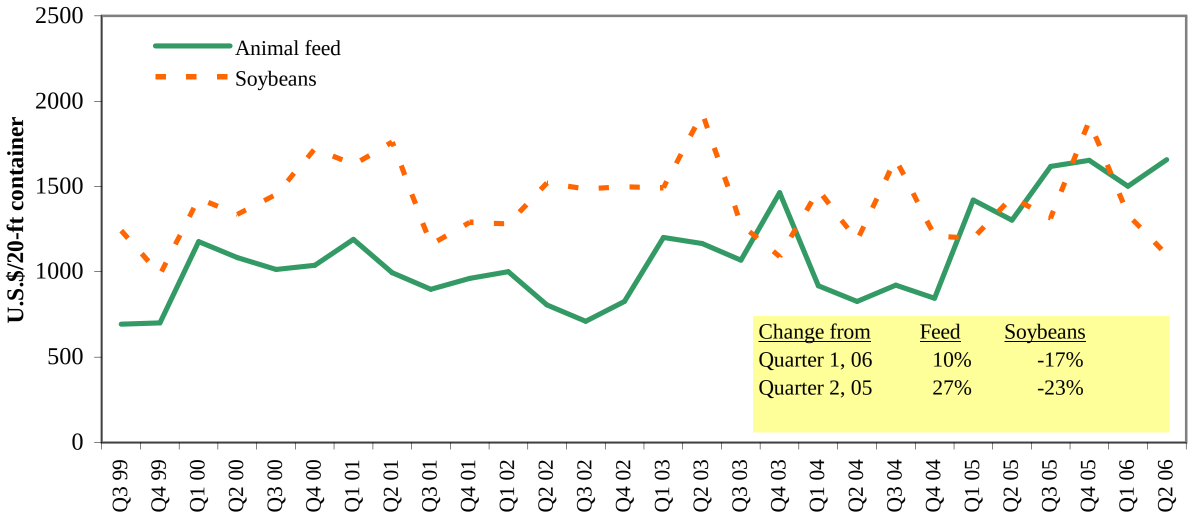
Source: Baltic Exchange (www.balticexchange.com)

Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 7/15/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
United Kingdom	Thailand	Wheat	Feb 25/Mar 10	42,000	21.50
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	May 20/25	25,000	37.00
River Plate	Poland	Hvy Grain	May 20/ Jul 10	30,000	42.00
River Plate	Poland	Hvy Grain	May 20/30	30,000	42.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18
Ocean Rates[1] for Containerized Shipments to Selected Asian Countries

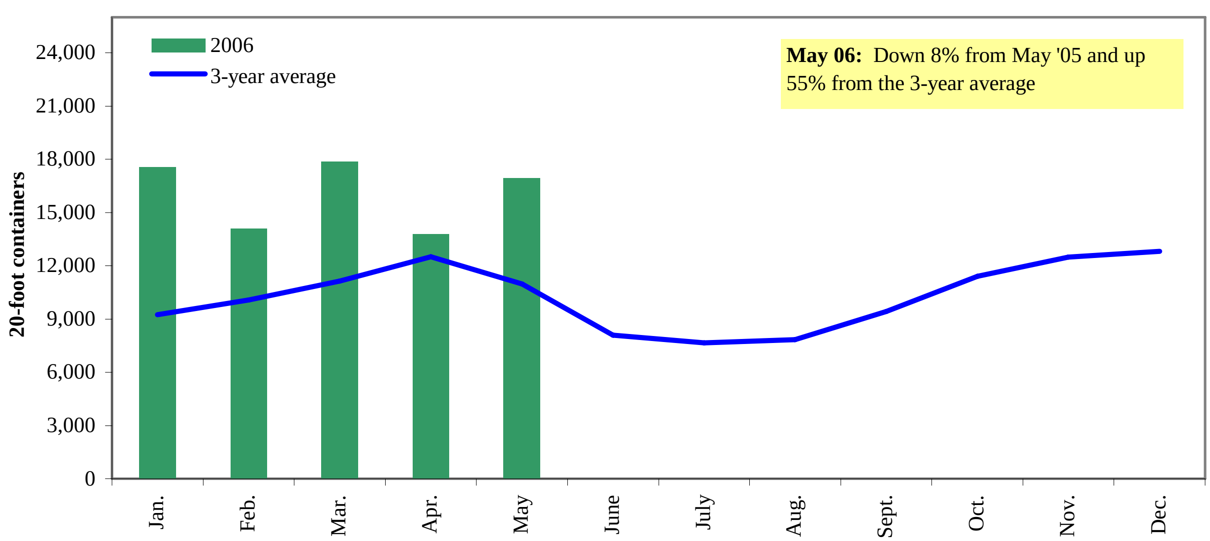


[1]Rates are weighted by shipping line market share and destination country.
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19
Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp